

DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814



October 8, 1996

ALL COUNTY LETTER 96-57

TO: ALL COUNTY WELFARE DIRECTORS

REASON FOR TRANSMITTAL

- ☐ State Law Change
- ☒ Federal Law Change
- ☐ Court Order or Settlement Agreement
- ☒ Clarification Requested by One or More Counties
- ☒ Initiated by CDSS

SUBJECT: IMPLEMENTATION OF FOOD STAMP PROGRAM CLEAN-UP V
REGULATIONS (RDB#1294-43)

REFERENCE: MANUAL SECTIONS (M.S.) 20-300.51 and .52, 63-042; 63-102a. (2), (3), (4), (5), (6), (7) and (8), p. (10) (b), and w. (1) and (2); 63-103i. (1); 63-202.412(a); 63-300, 63-300.1, .42, .51(b)(3)(A), .51(b) (3)(A) 1. HANDBOOK, .51(f), .51(f)(1), .51(h), .532(b) and .533(a), (b), and (c); 63-301.31, .311, .32 through .34, .721, .722, and .723; 63-402.141, .141(a), .31, .322, .322(a), and .322(b), .33, .341, .344 and .45; 63-404.42; 63-409.111, .12, .121 and .122; 63-502.132(b), .142, .2(g)(1)(I) and .2(o); 63-503.242, .42, .421, .422(a) and (b), and .45; 63-504.112, .267(e)(2)A HANDBOOK and (e)(3)(A) HANDBOOK; 63-505.114; 63-603.11; 63-706.31; 63-801.231 and .42; and 63-805.11

This letter provides County Welfare Departments (CWDs) with information concerning the implementation of revised provisions contained in the above referenced regulation package which will become effective December 1, 1996. These regulation changes correct regulation citations, form numbers, grammatical errors and clarify manual instructions. Attached is a summary of the significant changes and a copy of the revised regulations.

If you have any questions, please contact the Food Stamp Program Bureau, Policy Implementation Unit at (916) 654-1896.

BRUCE WAGSTAFF
Deputy Director
Welfare Programs Division

Attachments

REGULATION CHANGES

Reporting Requirements

M.S. 20-300.51 replaces the form number of the Disqualified Recipient Report (FNS 524) with [DPS 524 (Rev. 3/92)]. The FNS 524 is now obsolete. This section is also amended to replace the acronym "FNS" to "FCS". This change is necessary because of the name change of "Food and Nutrition Services" to "Food and Consumer Services".

M.S. 20-300.52 is being amended to change the acronym SDSS to CDSS. This change represents an administrative decision made to change the name of the Department from State Department of Social Services (SDSS) to California Department of Social Services (CDSS).

Implementation of Regulations for Clean Up Package #5

M.S. 63-042 is being adopted to provide CWDs with a specific date of December 1, 1996, by which all provisions contained in these regulations are to be implemented, as well as to include, in an easily located section of the regulations, a listing of all the sections amended by this regulation filing. By providing this direction, departmental review and/or auditing units can easily determine if a county is in compliance.

Definitions

M.S. 63-102a.(2) is being adopted to change the form number from DFA 479 to DPA 479, as well as to conform the regulations to the correct name of the form, which is the "Administrative Disqualification Hearing Waiver" currently in existing regulations, but under the incorrect name of "Waiver of the Right to an Administrative Disqualification Hearing". The renumbering of M.S. 63-102a.(3) through (8) from existing M.S. 63-102a.(2) through (7) is being done as a result of the inclusion of the new definition and has no regulatory effect.

M.S. 63-102p.(10)(b) is being amended to correct a reference citation and to provide the appropriate cross-reference, 63-402.225, to the exclusion of SSI/SSP recipients in the Food Stamp Program.

M.S. 63-102w.(1) and (2) are being amended to repeal existing M.S. 63-102w.(1) which contains an inaccurate name for the form DPA 479 and to renumber existing M.S. 63-102w.(2) to w.(1). A new definition at M.S. 63-102a.(2) is being adopted as part of this regulatory cleanup package to change the form's name and number prefix to "Administrative Disqualification Hearing Waiver (DPA 479)."

M.S. 63-103i.(1) is being amended to include specific references to Immigration and Naturalization Service (INS) forms I-688A and I-688B, and to add a regulation cross-reference for clarity.

Program Administration and Personnel Requirements

M.S. 63-202.412(a) is being adopted to specify that CWDs are to train their eligibility workers about the goals of and the methods for promptly and accurately certifying eligible Food Stamp households.

Application Process

M.S. 63-300 and 300.1 are being amended to correct a typographical error changing "Purpose" to "Process".

M.S. 63-300.42 is being amended to replace the word "handicapped" with the word "disabled". Also, an "s" is added to the word "live".

M.S. 63-300.51(b)(3)(A) is being amended to instruct CWDs that the I-688, I-688A and I-688B must not be used as verification of the entitlement to have food stamp eligibility considered for aliens unless they are encoded with the INS section number under which the alien was admitted.

M.S. 63-300.51(b)(3)(A)1. Handbook is being modified to add a specific reference to INS forms I-688A and I-688B.

M.S. 63-300.51(f) and .51(f)(1) are being amended to correct reference citations within these sections, specifically, M.S. 63-502.35 to .352, M.S. 63-502.352 to .353 and M.S. 63-502.351(d) to .352(e).

M.S. 63-300.51(h) is being amended to clarify the factors of eligibility that do not require county verification for sponsored aliens.

M.S. 63-300.532(b) is being amended to correct a misspelled word.

M.S. 63-300.533(a) is being renumbered from M.S. 63-300.533a., and amended to repeal reference to the Work Incentive Program (WIN) Demonstration Project because this program has been replaced by the federal Job Opportunities and Basic Skills (JOBS) Training Program.

M.S. 63-300.533(b) and (c) are being renumbered from M.S. 63-300.533b., and .533c.

Application Processing Time Standards

M.S. 63-301.31 and .311 are adopted to require that households not be denied food stamps based solely on the failure of a person outside of the food stamp household to cooperate with the verification requirements of the Food Stamp Program. In addition, these amendments require that "excluded household members" as specified in M.S. 63-402.22 are not considered as "outside of the household" for the purposes of this verification denial.

M.S. 63-301.32 through .34 are being renumbered from M.S. 63-301.31, .32 and .33, respectively.

M.S. 63-301.721, .722, and .723 are being amended to replace the term "must" with the more appropriate regulatory term "shall". Also, the word "regardness" is corrected to "regardless", and the word "a" which was left out of the sentence in M.S. 63-301.722 is being inserted.

Household Concept

M.S. 63-402.141 is being amended and M.S. 63-402.141(a) is being adopted to require that foster care children be considered boarders and that they cannot be considered a separate household for food stamp benefit purposes. These sections also provide foster care providers the option to request that the foster care child(ren) be included in the household.

M.S. 63-402.31 is being amended to include foster care children in the definition of boarders for Food Stamp Program eligibility purposes, and to exclude foster care children from that portion of the boarder definition that requires boarders to pay the household reasonable compensation.

M.S. 63-402.322, .322(a), and .322(b) are being adopted to: 1) require that foster children be treated as boarders when placed in the home by federal, state, or local foster care programs; 2) specify that federal, state, local government, or court ordered payments received by the foster care household for the foster child shall not be considered as available income and that such payments are exempt from the computation of net self-employment income; and 3) provide the option for households with foster child boarders to request that the foster child(ren) be considered a household member, and stipulate that if a foster child is considered a household member, the foster care payment will be considered unearned income and counted in its entirety for Food Stamp Program eligibility.

M.S. 63-402.33 is being amended to exclude foster children from being considered food stamp household members even if they pay less than a reasonable amount of compensation for meals and lodging.

M.S. 63-402.341 and .344 are being amended to ensure that foster children are not precluded from being considered boarders.

M.S. 63-402.45 is being amended to change the acronym "SDSS" to "CDSS" which reflects an administrative decision to rename the State Department of Social Services (SDSS) the California Department of Social Services (CDSS).

Social Security Numbers

M.S. 63-404.42 is being amended to correct two cross-references. M.S. 63-502.14 is changed to .16 and M.S. 63-501.9 is changed to .8, respectively. The word "outlined" has been replaced with the word "specified" in two locations for consistency with Food Stamp regulatory language.

Income and Resource Maximums

M.S. 63-409.111 is being amended to delete a duplicated cross-reference. The word "provided" has been replaced with the word "specified" for regulatory consistency.

M.S. 63-409.12, .121, and .122 are being amended to correct cross-reference citations. The word "the" is being removed for clarity.

Income, Exclusions and Deductions

M.S. 63-502.132(b) is being amended to exclude foster care boarder payments from consideration in the household computation of self-employment income payments.

M.S. 63-502.142 is being amended to clarify that only when foster care individuals are considered members of food stamp households shall the foster care payment be considered unearned income.

M.S. 63-502.2(g)(1)(I) is being repealed. The same regulation is contained in M.S. 63-507(a)(16) and 63-502.2(l) by reference.

M.S. 63-502.2(o) is being adopted to provide counties with the authority to exclude foster care payments received by a household when the foster child is considered a boarder and not a member of the household when determining Food Stamp Program eligibility.

Determining Household Eligibility and Benefit Levels

M.S. 63-503.242 is being amended to correct a cross-reference citation.

M.S. 63-503.42 and .421 are being amended to provide counties with the authority to exclude foster care boarder payments from treatment as self-employment income. If the household does not include the foster care boarder in the food stamp household, then the foster care payments are not counted as income.

M.S. 63-503.422(a) and (b) are being amended to replace the phrase "Thrifty Food Plan" with "Maximum Food Stamp Allotment" in both sections.

M.S. 63-503.45 is being amended to correct a cross-reference citation.

Household Certification and Continuing Eligibility

M.S. 63-504.112 is repealed since the household composition description within this section is no longer applicable.

M.S. 63-504.267(e)(2)(A) Handbook and (e)(3)(A) Handbook are being amended to address county concerns regarding the need for additional references to the appropriate requirements for timely and adequate notice. The specific purpose of these handbook sections is to provide additional references to the Saldivar v. McMahon court order.

Household Responsibilities

M.S. 63-505.114 is being amended to provide a space between the incorrectly placed words, "unless exempt."

Replacement Issuances

M.S. 63-603.11 is being amended to add clarifying language to ensure that counties allow replacement issuance or authorization of food stamps as a result of an agency issuance error.

Handling and/or Destruction of Unusable, Undeliverable or Returned Coupons, Authorization Documents and Access Devices

M.S. 63-706.31 is being amended to delete the reference to the form FNS 250 which is no longer used to record food stamp coupons returned in the same month they are issued.

Claims Against Households

M.S. 63-801.231 is being amended to correct the document name "Waiver of Right to an Administrative Disqualification Hearing" to "Administrative Disqualification Hearing Waiver" and to correct two cross-reference citations.

M.S. 63-801.42 is being amended to correct the document name of the "Waiver of Right to an Administrative Disqualification Hearing" to "Administrative Disqualification Hearing Waiver".

Intentional Program Violation Disqualification

M.S. 63-805.11 is being amended to correct the document name of the "Waiver of Right to an Administrative Disqualification Hearing" to an "Administrative Disqualification Hearing Waiver".

Amend Sections 20-300.51 and .52 to read:

20-300 INTENTIONAL PROGRAM VIOLATIONS IN THE FOOD STAMP
PROGRAM (Continued)

20-300

.5 Reporting Requirements

- .51 The CWD shall report to FMCS information concerning individuals disqualified for intentional Program violation, within 30 days of the date the disqualification took effect, or would have taken effect for a currently ineligible individual whose disqualification is pending future eligibility. This information shall be reported on the Disqualified Recipient Report (~~FM~~DPS 524).
- .52 The CWD shall establish and maintain a food stamp disqualification file containing all information received from SCDSS concerning individuals who have been disqualified in that county or in another political jurisdiction. The CWD shall use this information for the following purposes: (Continued)

Authority Cited: Sections 10553, 10554 and 18901, Welfare and Institutions Code.

Reference: Sections 10553, 10554 and 18901, Welfare and Institutions Code, Public Law (P.L.) 103-66, Section 13942; ~~and~~ 21 USC 802; and USDA Food and Consumer Services, Administrative Notice No. 94-04 dated October 8, 1993.

Adopt Section 63-042 to read:

63-042 IMPLEMENTATION OF THE CLEAN-UP 5 REGULATIONS

.1 CWDs shall implement the provisions of these amended and adopted regulations effective December 1, 1996. Sections affected by these revisions are as follows:

Sections 20-300.51 and .52; 63-102a.(2), p.(10)(b), and w.; 63-103i.(1); 63-202.412(a); 63-300, 63-300.1, 63-300.42, .51(b)(3)(A), .51(b)(3)(A)1., .51(f), .51(f)(1), .51(h), .532(b), and .533a.; 63-301.31, .311, .32, .33, and .34; .721, .722, .723; 63-402.141, .141(a), .31, .322, .322(a) and (b), .33, .341, .344, and .45; 63-404.42; 63-409.111, .12, .121, and .122; 63-502.132(b), .142, .2(g)(1)(I), and .2(o); 63-503.242, .42, .421, .422(a) and (b), and .45; 63-504.112, .267(e)(2)(A), and .267(e)(3)(A); 63-505.114; 63-603.11; 63-706.31; 63-801.231 and .42; and 63-805.11.

Authority Cited: Sections 10553, 10554 and 18904, Welfare and Institutions Code.

Reference: Sections 10553, 10554 and 18904, Welfare and Institutions Code.

Amend Sections 63-102a.(2) through a.(7), p.(10)(b) and w.(1) to read:

63-102 DEFINITIONS--PROGRAM TERMS

63-102

- a. (1) (Continued)
- (2) "Administrative Disqualification Hearing Waiver" means the DPA 479 Rev. 8/95.
- (23) (Continued)
- (34) (Continued)
- (45) (Continued)
- (56) (Continued)
- (67) (Continued)
- (78) (Continued)
- p. (1) through (9) (Continued)
- (10) "Public Assistance (PA)" (Continued)
- (b) For purposes of determining categorical eligibility, as specified in Section 63-301.7, PA means AFDC benefits under Title IV-A of the Social Security Act. Any PA households receiving AFDC from a state-only program shall not be considered categorically eligible to food stamp benefits. (See Section 63-402.24325 for exclusion of SSI/SSP recipients.) (Continued)
- w. ~~(1) "Waiver of Right to an Administrative Disqualification Hearing" means the DPA 479.~~
- (21) (Continued)

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; 8 U.S.C.A. Section 1522(e); 42 U.S.C.A. 601, et seq.; and 42 U.S.C.A. 5122; 7 CFR 271.2; 7 CFR 273.1(c)(5); 7 CFR 273.11(a)(2)(iii); 7 CFR 273.2, (j), and (j)(4); 7 CFR 273.16(c); 7 CFR 273.21(b); 7 CFR 274.3(a)(2); 7 CFR 2710.2; 45 CFR Part 401; 45 CFR 400.62; (Court Order re Final Partial Settlement Agreement in Jones v. Yeutter (C.D. Cal. Feb. 1, 1990) _____ F. Supp. _____[Dock. No. CV-89-0768]); Section 66011, Education Code; Sections 10554 and 18904, Welfare and Institutions Code; and Section 902, Public Law (P.L.) 102-237.

Amend Section 63-103(i)(1) to read:

63-103 DEFINITIONS--FORMS (Continued)

63-103

- i. (1) INS I-688 (any rev. date acceptable) - Temporary Resident Card; INS I-688A - Employment Authorization Card; and INS I-688B - Employment Authorization Document.

The INS I-688, INS I-688A, and INS I-688B ~~is~~ are used for the verification of alien status as specified in Section 63-300.51(b)(3)(A).
(Continued)

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code and ;
 7 CFR 273.2(b)(ii); and U.S.D.A. Food and Consumer Services
 Administrative Notice No. 94-22, dated January 7, 1994.

Amend Section 63-202.412 to read:

63-202 PROGRAM ADMINISTRATION AND PERSONNEL REQUIREMENTS
 (Continued)

63-202

.4 Training

.41 Minimum Requirements (Continued)

.412 The CWD shall provide sufficient staff time to ensure that the eligibility worker training requirement is met.

(a) Training shall include, but not be limited to, the goals of and the methods for promptly and accurately certifying eligible households. (Continued)

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: 7 CFR 271.2, 7 CFR 272.4(d)(1)(i) and Sections 10554 and 18904, Welfare and Institutions Code.

Amend Sections 63-300.1, .42, .51(b)(3)(A), .51(f), .51(h), .532(b), renumber .533a., .533b., and .533c., to .533(a), .533(b), .533(c), respectively and amend .533(a) to read:

63-300 APPLICATION PROCESS

63-300

.1 General ~~Purpose~~ Process (Continued)

.4 Interviews (Continued)

.42 Waiving the Interview (No Option)

The office interview shall be waived if requested by any household which is unable to appoint an authorized representative and which has no household members able to come to the food stamp office because they are 65 years of age or older, or are mentally or physically handicapped disabled. The office interview shall also be waived if requested by any household which is unable to appoint an authorized representative and lives in a location which is not served by a certification office.
(Continued)

.5 Verification (Continued)

.51 Mandatory Verification (Continued)

(a) Gross Nonexempt Income (Continued)

(b) Alien Status (Continued)

(1) (Continued)

(2) (Continued)

(3) Aliens in the categories specified in Section 63-403.1(i) through (1) shall present documentation from INS which clearly identifies that the alien has been granted legal status in one of those categories.

(A) Documentation may include, but is not limited to, a letter, notice of eligibility, or an identification card from INS. INS forms I-688, I-688A and I-688B must be encoded with the section number under which the alien was admitted entitling them to have their food stamp eligibility considered.

HANDBOOK BEGINS HERE

1. Examples of acceptable documentation include, but are not limited to, the I-688, I-688A and I-688B annotated with Section 210(a) or Section 245A of the Immigration and Nationality Act.

HANDBOOK ENDS HERE

(4) (Continued)

(c) through (e) (Continued)

(f) Continuing Shelter Costs

Those shelter costs specified in Section 63-502.352, other than utilities, shall be verified if allowing the expense could potentially result in a deduction. However, verification shall be accomplished if the amount of rent is questionable and there is strong indication that the expense could affect the amount of the deduction. Once this verification has been accomplished, the EW is not permitted to re-verify this expense unless the household has moved, reported a change in the amount of its shelter costs that would potentially affect the amount of the deduction (in which case those changed individual costs shall be re-verified), or unless questionable as defined in Section 63-300.53.

(1) Utility Expenses

The CWD shall verify a household's utility expenses if the household wishes to claim its actual utility expense. If the household lives with and shares utility expenses with others and wishes to claim its actual utility expense, the CWD shall verify the actual utility expenses paid by the household. If the household's actual utility expenses cannot be verified before the 30 days allowed to process the application expire, the CWD shall use the SUA, provided the household is entitled to use the SUA as specified in Section 63-502.352~~3~~. If the household wishes to claim expenses for an unoccupied home, the CWD shall verify the household's actual utility expenses for the unoccupied home in every case and shall not use the SUA. Verification of utility costs of an unoccupied home outside the county is the responsibility of the household (see Section 63-502.351~~(d)~~2(e)). (Continued)

(h) Sponsored Alien

For sponsored aliens, the CWD shall verify the factors of eligibility specified in Section 63-503.49, except as specified in Sections 63-301.71 and .822. (Continued)

.53 Verification of Questionable Information (Continued)

.532 Citizenship (Continued)

(b) The member whose citizenship is in question shall be ineligible to participate until prooff of U.S. citizenship is obtained. The member whose citizenship is in question shall have his/her income and resources treated as available to the household in accordance with Section 63-503.442.

.533 Work Registration

(a-) If a household member's work registration exemption due to participation in ~~WIN-Demo~~ or the GAIN Program is questionable, the CWD shall be responsible for verifying that the household member is subject to and participating in the ~~Work Incentive Program (WIN-Demo or GAIN Program)~~ under Title IV of the Social Security Act. (Continued)

(b-) (Continued)

(c-) (Continued)

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: Sections 10554, 11023.5, and 18904, Welfare and Institutions Code; 7 CFR 273.2(b)(ii), (c)(5), proposed (f)(1)(xii) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, (f)(3)(ii), and (j)(1); 7 CFR 273.4(a)(10); and USDA Food and Nutrition Service Office, Western Region, Administrative Notice 84-56. Indexed Policy Memo 84-23; and 7 U.S.C.A. 2020(e)(2); Americans with Disabilities Act (ADA), Public Law (PL) 101-336, 1990: U.S.D.A. Food and Consumer Services Administrative Notice No. 94-22 dated January 7, 1994; AB 1371, Chapter 306, Statutes of 1995 and AB 1617, Chapter 883, Statutes of 1995.

Amend Sections 63-301.31 through .33, and .721 through .723 to read:

63-301 APPLICATION PROCESSING TIME STANDARDS (Continued)

63-301

.3 Denying the Application (Continued)

.31 The CWD shall not ~~determine deny~~ eligibility to a household due to ~~be ineligible failure to cooperate~~ when the person(s) who fails to cooperate is outside of the household.

.311 Excluded household members specified in Section 63-402.22 shall not be considered outside of the household for the purposes of Section 63-301.31.

.312 (Continued)

.313 (Continued)

.314 (Continued)

.7 Categorically Eligible PA Households (Continued)

.72 (Continued)

.721 The household ~~must~~ shall contain only food stamp eligible members that are PA recipients as defined in Section 63-102(p).

.722 The household ~~must~~ shall meet the definition of a household as specified in Section 63-402.

.723 The household ~~must~~ shall include all persons who purchase and prepare food together in one food stamp household regardless of whether or not they are separate units for PA purposes. (Continued)

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: Sections 10554, 18901, and 18904, Welfare and Institutions Code, Section 11349.1, Government Code; 7 CFR 271.2; 7 CFR 273.2(d)(1), (h)(1)(C), (i)(4)(iii)(B), (j), (j)(1), (j)(1)(iv), (j)(2)(iii), (j)(3), (j)(4), and (j)(4)(vi); 7 CFR 273.8(e)(17); 7 CFR 273.10(c)(1); 7 CFR 274.2; (Court Order re Final Partial Settlement Agreement in Jones v. Yeutter (C.D. Cal. Feb. 1, 1990) _____ F. Supp. _____ [Dock. No. CV-89-0768].); and Public Law 102--237, Sections 902 and 905, as specified in Federal Administrative Notice 92-12, dated January 9, 1992.

Amend Sections 63-402.141, .31 through .33, .341, .344 and .45 to read:

63-402 HOUSEHOLD CONCEPT (Continued)

63-402

.14 Separate household status shall not be granted to:

.141 A ~~children~~ (other than foster children) under 18 years of age, living with ~~a member of the household other than a parent who has~~ and under the parental control, as defined in Section 63-102(p)7, of a household member who is not his or her parent;

(a) A foster child placed by a federal, state, or local governmental program in the private home of a relative, or other individual or family, shall be considered a boarder. Such a boarder may participate in the Food Stamp Program only by request of the household providing boarder services, and only as a member of that household.

.3 Boarders

.31 For Food Stamp Program purposes, boarders are defined as either, foster children as specified in Section 63-402.322, or individuals or groups of individuals residing with the household and paying reasonable compensation to the household for lodging and meals, excluding residents of a commercial boarding house. and A reasonable monthly payment shall be either of the following: (Continued)

.32 (Continued)

.322 Foster children placed by a federal, state, or local foster care program, in the home of relatives or other individuals or families shall be considered boarders.

(a) The federal, state, or local governmental, or court-ordered, foster care payments received by the household for a foster care boarder shall not be considered self-employment income from boarders under the provisions of Section 63-503.42, or as available income to the household.

(b) Foster care boarders may participate in the Food Stamp Program as members of the household providing boarder services, at the household's request. If the household chooses this option, foster care payments received by the household shall be considered unearned income to the household and counted in their entirety in determining the household's income eligibility and benefit level.

- .33 Except for residents of a commercial boarding house and foster children as specified in Section 63-402.322, an individual furnished both meals and lodging by the household, but paying compensation of less than a reasonable amount, ~~will be~~ is considered a member of the household which provides the meals and lodging.
- .34 The following persons shall not be considered boarders:
- .341 Children under 18 years of age, except foster children, as specified in Section 63-402.322 under the parental control, as defined in Section 63-102p., of a member of the household. (Continued)
- .344 ~~s~~Siblings living with their natural, adopted, half or step brothers and sisters, even if one of the siblings is elderly or disabled, except foster child(ren) as specified in Section 63-402.322. (Continued)
- .4 Residents of Institutions (Continued)
- .45 Residents of foster family settings shall be considered as members of the household providing foster care. For the purpose of this section, foster family settings shall include any facility licensed to provide foster care. However, residents of SCDSS licensed group homes are only eligible if they qualify under Section 63-402.43. (Continued)

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: 7 CFR 273.1(a)(1) through ~~7 CFR 273.1(a)(2)(ii) through 7 CFR 273.1(b)(2)(iii)~~, ~~7 CFR 273.1(c)~~, ~~7 CFR 273.1(c)(1)~~, (c)(6), (d)(1) and (2), ~~7 CFR 273.1(e)(1)~~, ~~7 CFR 273.1~~ and (g); 7 CFR 273.2(j)(4); 7 CFR 273.9(b)(2)(ii); 7 CFR 273.10(c)(1)(i); 7 CFR 273.11(b)(1); 7 CFR 274.5 and 7 CFR 274.10; Public Law (P.L.) 100-77, Section 802; P.L. 103-66; USDA Food and Consumer Services, Administrative Notice 94-39; USDA Administrative Notice 89/65/Policy Memo 89-11 and 89-12; and Sections 10554 and 18904, Welfare and Institutions Code.

Amend Section 63-404.42 to read:

63-404 SOCIAL SECURITY NUMBERS (Continued)

63-404

.4 Failure to Comply (Continued)

.42 Income of the disqualified individual shall be treated as ~~outlined~~
specified in Section 63-502.1~~4~~6. Resources of the disqualified individual
shall be treated as ~~outlined~~ specified in Section 63-501.9~~8~~. (Continued)

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: 7 CFR 273.2(j)(3) and (4), 7 CFR 273.10(b), 7 CFR 273.6, and
Sections 10554 and 18904, Welfare and Institutions Code.

Amend Sections 63-409.111 and .12 through .122 to read:

63-409 INCOME AND RESOURCE MAXIMUMS

63-409

.1 Requirements for Participation (Continued)

.11 Maximum Income Eligibility Standards (Continued)

.111 Maximum Gross Income and Net Income Eligibility Standards

The CWD shall determine the eligibility of all households, except as provided specified in Sections 63-409.112, ~~63-301.7~~, and 63-301.7, based first on the maximum gross income. If the household is not eligible under this test the application shall be denied. If the household is gross income eligible then the net income eligibility standards reproduced in Handbook Section 63-1101 shall be applied and appropriate denial or approval shall be made. These eligibility determinations shall be made in accordance with Section 63-503.321.

.112 Maximum Net Income Eligibility Standards (Continued)

.12 Maximum Resource Eligibility Standards

Except for ~~the~~ categorically eligible households, the CWD shall deny participation in the Food Stamp Program to any household whose nonexempt resources determined in accordance with Section 63-501, exceed the appropriate maximum resource eligibility standards specified in federal regulations 7 CFR 273.8(b), and reproduced in Handbook Sections 63-1101.~~211~~ and ~~212~~.

.121 For all households, except as provided in Section 63-409.122, the resource limit shall be the amount specified in Handbook Section 63-1101.~~212~~.

.122 For any household which includes at least one member age 60 or older, the resource limit shall be the amount specified in Handbook Section 63-1101.~~211~~.

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: 7 CFR 273.2(j)(4).

Amend Sections 63-502.132(b), .142 and .2 to read:

63-502 INCOME, EXCLUSIONS AND DEDUCTIONS

63-502

.1 Income Definition (Continued)

.13 Earned income shall include: (Continued)

.132 The gross income from a self-employment enterprise, including the total gain from the sale of any capital goods or equipment related to the business, excluding the costs of doing business as provided in Sections 63-502.2 and 63-503.415(d). (Continued)

(b) Payments from a roomer or boarder, except foster care boarders as specified in Section 63-402.322 shall also be considered self-employment income. (Continued)

.14 Unearned income shall include, but not be limited to: (Continued)

.142 Annuities, pensions, retirement, veteran's, or disability benefits; worker's or unemployment compensation; old-age, survivors, or social security benefits; strikers' benefits except as provided specified in Section 63-502.135; foster care payments for children or adults who are members of the food stamp household as specified in Section 63-402.322(b); (Continued)

.2 Income Exclusions. Only the following items shall be excluded from household income: (Continued)

(g) (Continued)

(1) (Continued)

(A) (Continued)

~~(I) Reimbursements for child care made under the Family Support Act of 1988, including reimbursements for GAIN child care and transitional child care (TCC), the At-Risk Block Grant, and, the Child Care and Development Block Grant.~~

(h) through (n) (Continued)

(o) Foster care payments received by households with foster care boarders who are not part of the food stamp household. (Continued)

Authority Cited: Sections 10553, 10554, 11209, 18900, 18901, and 18904, Welfare and Institutions Code.

Reference: Sections 10554, 18901, and 18904, Welfare and Institutions Code; Public Law (P.L.) 100-50, Sections 22(e)(4) and 14(27), enacted June 3, 1987; P.L. 100-77; P.L. 101-201; P.L. 101-508, Section 11111(b); P.L. 103-66, Section 5(c), (d) and (e) and Section 8(a); 7 CFR 271.2; 7 CFR 273.1(c)(6); 7 CFR 273.7(f); 7 CFR 273.9; 7 CFR 273.9(b)(1)~~7~~, ~~7 CFR 273.9(c)7~~, (c)(1)(ii)(G), ~~7 CFR 273.9(d)~~ and proposed (d)(7) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994~~7~~, (e), (k)(1)(B), and (k)(2)(F), 7 CFR 273.10(d)(1)(i), 7 CFR 273.11(b)(1); 7 U.S.C. 2015(e); 7 U.S.C. 2017(a); 20 U.S.C. 2466d.; 26 U.S.C. 32(j)(5); (Court Order re Final Partial Settlement Agreement in Jones v. Yeutter (C.D. Cal Feb. 1, 1990) _____ F. Supp. _____ [Dock. No. CV-89-0768].); U.S.D.A. Food and Nutrition Consumer Services Administrative Notice 88-40, Indexed Policy Memo 88-10, dated April 20, 1988; U.S.D.A. Food and Nutrition Service Administrative Notices 91-24, 91-30, and 94-39, and 94-41; U.S.D.A. Food and Nutrition Consumer Services Waiver Letter WFS-100:FS-10-6-CA, dated October 2, 1990; and the July 8, 1988 district court order in Hamilton v. Lyng.

Amend Sections 63-503.242, .42 through .422(b) and .45 to read:

63-503 DETERMINING HOUSEHOLD ELIGIBILITY AND BENEFIT LEVELS (Continued) 63-503

.2 Determining Resources, Income and Deductions (Continued)

.24 Determining the Eligibility and Benefit Level of Households Excluded from Retrospective Budgeting (Continued)

.242 Determining Income

The CWD shall determine food stamp eligibility according to the household's gross and/or net income as specified in Section 63-503.32. the CWD, in determining the household's eligibility, shall determine what sources are exempt from consideration as income, per Sections 63-502.1~~4~~2 and ~~63-502.2~~. If an applying household is destitute, as defined in Section 63-503.43, the CWD shall compute its gross income, in accordance with Section 63-503.434. (Continued)

.4 Households with Special Circumstances (Continued)

.42 Households with Boarders (Noncommercial)

Individuals paying a reasonable amount for room and board, as specified in Section 63-402.3, shall be excluded from the household when determining the household's eligibility and benefit level. Payments from the boarder, except a foster care boarder, as specified in Section 63-402.322 shall be treated as self-employment income and the household's eligibility determined as follows:

.421 Income from the Boarder

The income from boarders shall include all direct payments to the household for lodging and meals, including contributions to the household's shelter expenses. Shelter expenses paid directly by boarders to someone outside the household shall not be counted as income to the household. Foster care payments are not counted as income if the foster care boarders are not members of the food stamp household as specified in Section 63-402.322.

.422 Cost of Doing Business (Continued)

- (a) An amount which equals the ~~Thrifty Food Plan~~ maximum food stamp allotment for the appropriate number of boarders, as specified in Handbook Section 63-1101; or
- (b) The actual documented cost of providing lodging and meals, if the actual cost exceeds the ~~Thrifty Food Plan~~ maximum food stamp allotment for the appropriate number of boarders, as specified in the Handbook Section 63-1101. If actual costs are used, only separate and identifiable costs of providing lodging and meals to boarders shall be excluded. (Continued)

.45 Nonhousehold Members

The income and resources of nonhousehold members as specified in Section 63-402.21 and the excluded household members specified in Sections 63-402.225, .226, and .3227 shall not be considered available to the household. Cash payments from the nonhousehold member to the household shall be considered income under the normal income standards set in Section 63-502.1. Vendor payments, as defined in Section 63-502.2, shall be excluded as income. (Continued)

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; 7 CFR 271.2; 7 CFR 272.3(c)(1)(ii); 7 CFR 273.1(b)(2)(iii), (c)(3)(i), (ii) and (e)(1)(i) as published in the Federal Register, Volume 59, No. 110 on June 9, 1994; 7 CFR 273.2(j)(4); 7 CFR 273.9(b)(1)(ii) and (b)(2)(ii); 7 CFR 273.10(a)(1)(iii)(B); 7 CFR 273.10(c)(2)(iii) and (c)(3)(ii); proposed amended 7 CFR 273.10(d) as published in the Federal Register, Vol. 59, No. 235, on December 8, 1994; (d)(1)(i), (d)(4), and proposed (d)(8) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; proposed amended 7 CFR 273.10(e)(1)(i)(E-H) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; 7 CFR 273.11(a)(2)(i), (b)(1), (b)(1)(i) and (ii), (c), (c)(1), (c)(2)(iii); (c)(3)(ii), and (d)(1), and (e)(1); 7 CFR 273.21(f)(2)(ii), (iii), (iv), and (v), (g)(3), (j)(1)(vii)(B), and (s); (Court Order re Final Partial Settlement Agreement in Jones v. Yeutter (C.D. Cal. Feb. 1, 1990) _____) F. Supp. _____); Waiver Letter WFS-100:FS-10-6-CA, dated October 2, 1990, United States Department of Agriculture, Food and Nutrition Consumer Services; Administrative Notice No. 89-12, No. 92-23, dated February 20, 1992, and No. 94-39, and No. 94-65; P.L. 100-435, Section 351, and P.L. 101-624; and Section 1717; [7 U.S.C. 2012, 2014(e), and 2017(c)(2)(B)].

Repeal Section 63-504.112, and add Sections 63-504.267(e)(2)(A) (Handbook) and (e)(3)(A)(Handbook) to read:

63-504 HOUSEHOLD CERTIFICATION AND CONTINUING ELIGIBILITY

63-504

.1 Certification Periods (Continued)

.11 General Requirements for Establishing Certification Periods (Continued)

~~.112 Households which consist of an individual and that individual's minor child(ren) living with the individual's parent or sibling and purchasing and preparing meals separately from the parent/sibling [see Sections 63-402.142(b) and .145(b)] shall be assigned a six-month certification period. This six-month certification requirement applies only to those households that consist of an individual and that individual's minor child(ren). (Continued)~~

.2 Notices of Action (Continued)

.26 Changes in Eligibility Status or Benefit Levels (Continued)

.267 Exemptions from Providing Timely Notice (Continued)

(e) A household's benefits are reduced or terminated as a result of: (Continued)

- (2) The household responding to a notice of action requesting the household to submit a complete CA 7 by the extended filing date.

HANDBOOK BEGINS HERE

(A) Under the Saldivar v. McMahon court order See handbook in Section 63-504.26 for requirements for CWDs are to continue to provide timely and adequate notice.

HANDBOOK ENDS HERE

- (3) The household responding to a notice of action requesting the household to submit missing verification or additional verification/clarification of questionable information, as specified in Section 63-504.263.

HANDBOOK BEGINS HERE

(A) Under the Saldivar v. McMahon court order See handbook in Section 63-504.26 for requirements for CWDs are to continue to provide timely and adequate notice.

HANDBOOK ENDS HERE

(f) (Continued)

.27 CA 7 Not Received/CA 7 Incomplete (Continued)

Authority Cited: Sections 10554, 11265.1, and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; 7 CFR 271.2; proposed 7 CFR 273.2(f)(1)(xii) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; (f)(8)(i); and proposed amended (8)(i)(A) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; 7 CFR 273.2(j)(3) and (4); 7 CFR 273.8(b); 7 CFR 273.10(d)(4); 7 CFR 273.10(g)(1)(i) and (ii); proposed 7 CFR 273.12(a)(1)(vi) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, and (c); 7 CFR 273.13(a)(2); 7 CFR 273.14(b)(3); 7 CFR 273.21(e)(1), (f)(1)(iii), (f)(1)(iv)(B), proposed (h)(2)(ix) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, (h)(3)(ii), (i), (j), (j)(1)(vi), (j)(1)(vii)(A) and (r), (j)(2)(iii) and (3)(ii), (j)(3)(iii)(C), and proposed (j)(3)(iii)(E) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; 7 CFR 274.10; P.L. 101-435, Section 351, P.L. 101-624, and P.L. 103-66; 7 U.S.C. 2014(d)(7) and 2017(c)(2)(B); Section 1717 [7 U.S.C. 2014(e)]; and U.S.D.A. Food and Nutrition Consumer Services, Administrative Notice 94-39.

Amend Section 63-505.114 to read:

63-505 HOUSEHOLD RESPONSIBILITIES

63-505

.1 Household Cooperation

.11 To determine eligibility the household or its authorized representative must: (Continued)

.114 Obtain a photo ID card in counties where photo ID cards are mandated as a condition of participation, unless_exempt under Section 63-504.87. (Continued)

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: 7 CFR 273.2(j)(3) and (4); 7 CFR 273.10(d)(4); 7 CFR 273.11(a)(2)(iii); 7 CFR 273.12, .12(a)(1)(i), and proposed .12(a)(1)(vi) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; 7 CFR 273.2(d); proposed 7 CFR 273.2(f)(1)(xii) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994; 7 CFR 273.21(b), (b)(4), proposed (h)(2)(ix) as published in the Federal Register, Vol. 59, No. 235 on December 8, 1994, (h)(3), and (i); P.L. 100-435, Section 351; P.L. 101-624, Section 1717 [7 U.S.C. 2014(e)] and Section 1723 [7 U.S.C. 2015(c)(1)(A)]; P.L. 102-237, Section 908 [7 U.S.C. 2016(h)(1)]; and Sections 10554 and 18904, Welfare and Institutions Code.

Amend Section 63-603.11 to read:

63-603 REPLACEMENT ISSUANCES

63-603

.1 Providing Replacement Issuances (Continued)

.11 Allowable Replacements

CWDs shall provide a replacement issuance or authorization, as appropriate, as a result of an administrative agency issuance error or when to a household which reports any of the following occurrences.
(Continued)

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: 7 CFR 274.3; 7 CFR 274.6; and Sections 10554 and 18904, Welfare and Institutions Code.

Amend Section 63-706.31 to read:

63-706 HANDLING AND/OR DESTRUCTION OF UNUSABLE, UNDELIVERABLE 63-706
 OR RETURNED COUPONS, AUTHORIZATION DOCUMENTS AND ACCESS
 DEVICES (Continued)

.3 Undeliverable or Returned Coupons, Authorization Documents and Access Devices
(Continued)

.31 Coupons which are in book form, complete with original and unsigned
covers, shall be returned to inventory and noted as such on the issuance
log ~~and the FNS-250~~. (Continued)

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: 7 CFR 274.7; FNS waiver exemption letter to Linda S. McMahon,
Director, CDSS dated October 23, 1989; Food and Consumer
Services, FNS 250 Food Stamp Coupon Accountability Report
Clarification, dated December 31, 1991, and Sections 10554 and
18904, Welfare and Institutions Code.

Amend Sections 63-801.231 and .42 to read:

63-801 CLAIMS AGAINST HOUSEHOLDS (Continued)

63-801

.2 Types of Claims (Continued)

.23 Intentional Program Violation Claims

.231 A claim shall be handled as an intentional Program violation claim only if an administrative disqualification hearing official or a court of appropriate jurisdiction has determined that a household member or the sponsor had committed an intentional Program violation, as defined in Section 20-300.1 or if an individual accused of intentional Program violation has signed either a Disqualification Consent Agreement or a ~~Waiver of Right to an Administrative Disqualification Hearing~~ Waiver as defined in Sections 63-102(~~da~~) (2) and (wd) (6). Prior to a determination of intentional Program violation the claim against the household shall be established and handled as an inadvertent household error claim.
(Continued)

.4 Collecting Claims Against Households and Sponsors of Alien Households (Continued)

.42 Criteria for Initiating Collection Action on Intentional Program Violation Claims

If an administrative disqualification hearing official or a court of appropriate jurisdiction finds that a household member or the sponsor of an alien household member committed intentional Program violation or if an individual accused of intentional Program violation signs either a ~~Waiver of Right to an Administrative Disqualification Hearing~~ Waiver or Disqualification Consent Agreement, the CWD shall initiate collection action against the individual's household or the sponsor of the alien household member. In addition, to the extent possible, the CWD shall make a personal contact with the household and/or its sponsor. (Continued)

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: 7 CFR 271.2; 7 CFR 273.18(a), (a)(1)(ii), (a)(2), (c)(1)(ii); 7 CFR 273.18(d)(4)(iii); 7 CFR 273.18(e)(1); 7 CFR 273.18(g)(4)(ii); 7 CFR 273.18(h)(4); 7 CFR 273.18(k)(5); United States Department of Agriculture, Food and Nutrition Service letter WFS-100:FS-10-6-CA, dated October 7, 1991; and Sections 10554 and 18904, Welfare and Institutions Code.

Amend Section 63-805.11 to read:

63-805 INTENTIONAL PROGRAM VIOLATION DISQUALIFICATION

63-805

.1 Disqualification Penalties for Intentional Program Violation

- .11 Individuals found to have committed an intentional Program violation either through an administrative disqualification hearing or by a court of appropriate jurisdiction or individuals accused of intentional Program violation who have signed a ~~Waiver of Right to~~ an Administrative Disqualification Hearing Waiver or a disqualification Consent Agreement shall be ineligible to participate in the Food Stamp Program as specified in Section 20-300.3. (Continued)

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code.